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SUBJECT: Major Donors to UNODC Agree to More Systematic Coordination

11. SUMMARY: At a November 30 meeting convened by the UK Mission to international organizations in Vienna the "Major Donor" countries to the UN Office on Drugs and Crime (UNODC) agreed to increase systematic coordination with one another. The U.S. delegation, led by IO Assistant Secretary Esther Brimmer and UNVIE Ambassador Glyn Davies, advanced coordination in preparation for meetings of the Working Group on Finance and Governance (Fin/Gov) in order to (1) advance concrete proposals for streamlining the functioning of the UNODC governing bodies, (2) provide feedback to UNODC on draft thematic and regional assistance programs and (3) advise one another of priority areas for funding UNODC activities. Donors further agreed on the importance of re-establishing the Independent Evaluation Unit (IEU) to ensure systematic review of the impact of UNODC programs. Germany also announced a 2.1 million USD contribution to support the UNODC's Terrorism Prevention Branch (TPB), which has been suffering after several donors (UK, Spain and Norway) zeroed-out funding for TPB activities in 2009. USDEL learned that this reduction in funding for TPB was the result of competing budget priorities rather than a lack of confidence in the TPB's work. The UK will host the next formal donors meeting in the first quarter of 2010. END SUMMARY.

COMPOSITION OF USDEL

12. IO Assistant Secretary Esther Brimmer and UNVIE Ambassador Glyn Davies led the USDEL to the UNODC Major Donors meeting. The following officials also comprised USDEL: IO DAS Nerissa Cook, UNVIE DCM Geoff Pyatt, INL John Sullivan, INL Christine Cline and UNVIE Adam Davis.

ADVANCING DONOR VIEWS IN FIN/GOV

¶3. Major Donors agreed that the Working Group on Finance and Governance (Fin/Gov) presented an opportunity for increased dialogue among donor countries, recipient countries and the UNODC Secretariat. In particular, donors believed Fin/Gov an appropriate vehicle to generate feedback and buy-in for UNODC's development of thematic and regional programs, which aimed to provide a strategic overlay to UNODC in-country assistance. Assistant Secretary Brimmer stressed the Administration's commitment to multilateral organizations in general and UNODC in particular. She asserted that Fin/Gov represented an important opportunity for informal engagement with all partners, and it held the potential to increase transparency in the design of UNODC activities. At the same time,

Assistant Secretary Brimmer advocated for increased coordination among Major Donors, particularly in advance of Fin/Gov meetings. Japan and Canada emphasized that Fin/Gov should continue its informal character and should not be seen as a vehicle to replace the formal governing bodies of UNODC - the UN Commission on Narcotic Drugs (CND) and the UN Commission on Crime Prevention and Criminal Justice (CCPCJ). France noted that it had proposals for streamlining the work of the CND and CCPCJ and donors agreed to discuss these at the next expert-level meeting of Major Donors.

REESTABLISHING THE INDPENDENT EVALUATION UNIT

14. Sweden, in its capacity as President of the European Union, reaffirmed the importance EU Member States attached to the re-establishment of the Independent Evaluation Unit (IEU) for UNODC. In the draft consolidated budget for the biennium 2010-2011, UNODC had proposed merging the IEU with its strategic planning entity as cost-cutting measures. UNODC, in principle, had expressed support for re-establishing the IEU, pending additional voluntary contributions being provided. UN Regular Budget resources are only available to fund the salary requirements for the Chief of the IEU. On the margins of the Major Donors meeting, USDEL worked with Sweden, Canada, Japan and other countries to develop acceptable language to re-establish the IEU with a view to adoption of the text by the December 1-4 Reconvened Sessions of the CND and CCPCJ which will be reported by septel.

COORDINATION OF

## FUNDING TO UNODC

¶5 Donors agree

- 15. Donors agreed to increase coordination of funding priorities for UNODC activities with a view to identifying potential funding gaps and promoting complementarily in the provision of funds. Donors adopted a USDEL proposal to designate regional or sub-regional areas to be covered at each subsequent Major Donors meeting in order to focus an exchange of information and priorities. As a first step, and noting the lack of information about who was doing what, where, with UNODC, Germany agreed to design a template to allow donors to itemize each of its individual contributions in 2009 and to preview contributions for 2010.
- 16. USDEL also used the occasion to highlight its provision of 10 million USD to UNODC in 2009 for a variety of activities, including 1.3 million USD in unearmarked general purpose funds to sustain the operations of UNODC. USDEL showcased that funding would be forthcoming for UNODC demand reduction activities in Afghanistan and for UNODC's container control program the first USG contribution of its kind to UNODC. Sweden distributed its breakdown of funds for UNODC in 2009 totaling 12.9 million USD, which included an increase for UNODC demand reduction activities. Italy also confirmed a pledge for UNODC activities in Afghanistan, although the amount of funding was still pending. Germany announced a contribution of 340,000 USD for UNODC demand reduction activities in Afghanistan.

GERMANY TO MAKE UP SHORTFALL FOR TPB

17. Donors discussed the financial crisis that had befallen UNODC's Terrorism Prevention Branch (TPB) due to the zeroing-out of funds in 2009 by the UK, Norway and Spain. USDEL sought clarification from those donors present as to why funding to the TPB was reduced. The UK confirmed that it reduced funding because of competing budget priorities, rather than a lack of confidence in the TPB's work. Germany announced that it would provide 2.1 million USD in order to cover the shortfall required by the TPB but emphasized that it could not sustain such a contribution in 2010. Other donors, notably Australia and the Netherlands, indicated that UNODC's adoption of a thematic approach and reinstatement of the IEU would provide additional incentive to consider future contributions to the TPB.

COMMENT

18. Although the UK will convene the next formal meeting of Major Donors within the first quarter of 2010, it will be important to sustain dialogue among participating donor countries on a regular basis. In particular, this constant contact could help to leverage U.S. input into the EU coordination process, including with regard to funding decisions. In addition, coordination in advance of Fin/Gov meetings could help to blunt more politicized topics, such as those surrounding UN Regular Budget resources, often raised by the Group of 77. USDEL was pleased to find that many donors, who previously had hesitated to meet more regularly at the working level, and who were skeptical on the utility of sharing contribution details, had now embraced the USDEL's vision for a more regularized and open major donor dynamic. Regarding the Major Donor-Fin/Gov relationship, mission will continue to work with other donors to invigorate the Fin/Gov process into one that focuses on substantive UNODC activities, rather than falling back into process-oriented discussions. Mission believes that donor coordination can serve as a means to this end. A/S Brimmer's presence at this event was particularly useful as a demonstration of the very strong U.S. investment in the UNODC mission and our revived commitment to multilateral coordination. END COMMENT

DAVIES